

1 JOHN M. McCOY III, Cal. Bar No. 166244  
Email: mccoyj@sec.gov  
2 JOHN B. BULGOZDY, Cal. Bar No. 219897  
Email: bulgozdyj@sec.gov  
3 SUSAN F. HANNAN, Cal. Bar No. 97604  
Email: hannans@sec.gov

4 Attorneys for Plaintiff  
5 Securities and Exchange Commission  
Rosalind R. Tyson, Regional Director  
6 Andrew G. Petillon, Associate Regional Director  
5670 Wilshire Boulevard, 11th Floor  
7 Los Angeles, California 90036  
Telephone: (323) 965-3998  
8 Facsimile: (323) 965-3908

9  
10 **UNITED STATES DISTRICT COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA**  
12 **SOUTHERN DIVISION**

13 SECURITIES AND EXCHANGE  
COMMISSION,

14 Plaintiff,

15 v.

16 JEANNE M. ROWZEE; JAMES R.  
17 HALSTEAD; and ROBERT T. HARVEY;

18 Defendants.

Case No. SACV 08-1025 DOC (ANx)

**JUDGMENT OF PERMANENT  
INJUNCTION AND OTHER  
RELIEF AGAINST DEFENDANT  
JEANNE M. ROWZEE**

19  
20  
21 The Securities and Exchange Commission having filed a Complaint and  
22 Defendant Jeanne M. Rowzee having entered a general appearance; consented to  
23 the Court's jurisdiction over Defendant and the subject matter of this action;  
24 consented to entry of this Judgment without admitting or denying the allegations of  
25 the Complaint (except as to jurisdiction); waived findings of fact and conclusions  
26 of law; and waived any right to appeal from this Judgment:  
27  
28

**I.**

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

**II.**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. § 77q(a), in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a

1 material fact or any omission of a material fact necessary in order to  
2 make the statements made, in light of the circumstances under which  
3 they were made, not misleading; or

- 4 (c) to engage in any transaction, practice, or course of business which  
5 operates or would operate as a fraud or deceit upon the purchaser.

6 **III.**

7 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED  
8 that Defendant and Defendant's agents, servants, employees, attorneys, and all  
9 persons in active concert or participation with them who receive actual notice of  
10 this Judgment by personal service or otherwise are permanently restrained and  
11 enjoined from violating Section 5 of the Securities Act, 15 U.S.C. § 77e, by,  
12 directly or indirectly, in the absence of any applicable exemption:

- 13 (a) Unless a registration statement is in effect as to a security, making use  
14 of any means or instruments of transportation or communication in  
15 interstate commerce or of the mails to sell such security through the use  
16 or medium of any prospectus or otherwise;
- 17 (b) Unless a registration statement is in effect as to a security, carrying or  
18 causing to be carried through the mails or in interstate commerce, by  
19 any means or instruments of transportation, any such security for the  
20 purpose of sale or for delivery after sale; or
- 21 (c) Making use of any means or instruments of transportation or  
22 communication in interstate commerce or of the mails to offer to sell or  
23 offer to buy through the use or medium of any prospectus or otherwise  
24 any security, unless a registration statement has been filed with the  
25 Commission as to such security, or while the registration statement is  
26 the subject of a refusal order or stop order or (prior to the effective date  
27 of the registration statement) any public proceeding or examination  
28 under Section 8 of the Securities Act, 15 U.S.C. § 77h.

1 **IV.**

2 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED  
3 that Defendant and Defendant's agents, servants, employees, attorneys, and all  
4 persons in active concert or participation with them who receive actual notice of  
5 this Judgment by personal service or otherwise are permanently restrained and  
6 enjoined from violating, directly or indirectly, Sections 206(1) and 206(2) of the  
7 Investment Advisers Act of 1940 ("Advisers Act"), 15 U.S.C. § 80b-6(1) and §  
8 80b-6(2). by use of the mails or any means or instrumentality of interstate  
9 commerce, directly or indirectly:

10 (a) to employ any device, scheme, or artifice to defraud any client or  
11 prospective client; or

12 (b) to engage in any transaction, practice, or course of business which  
13 operates as a fraud or deceit upon any client or prospective client.

14 **V.**

15 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED  
16 that Defendant shall pay disgorgement of ill-gotten gains, prejudgment interest  
17 thereon, and a civil penalty pursuant to Section 20(d) of the Securities Act, 15  
18 U.S.C. § 77t(d); Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3); and  
19 Section 209(e)(1) of the Advisers Act, 15 U.S.C. § 80b-9(e)(1). The Court shall  
20 determine the amounts of the disgorgement and civil penalty upon motion of the  
21 Commission. Prejudgment interest shall be calculated from December 1, 2006,  
22 based on rate of interest equal to the weekly average one year constant maturity  
23 Treasury yield, as published by the Board of Governors of the Federal Reserve  
24 System, in accordance with 28 U.S.C. § 1961. In connection with the  
25 Commission's motion for disgorgement and/or civil penalties, and at any hearing  
26 held on such a motion: (a) Defendant will be precluded from arguing that she did  
27 not violate the federal securities laws as alleged in the Complaint; (b) Defendant  
28 may not challenge the validity of the Consent or this Judgment; (c) solely for the

1 purposes of such motion, the allegations of the Complaint shall be accepted as and  
2 deemed true by the Court; and (d) the Court may determine the issues raised in the  
3 motion on the basis of affidavits, declarations, excerpts of sworn deposition or  
4 investigative testimony, and documentary evidence, without regard to the standards  
5 for summary judgment contained in Rule 56(c) of the Federal Rules of Civil  
6 Procedure. In connection with the Commission's motion for disgorgement and/or  
7 civil penalties, the parties may take discovery, including discovery from  
8 appropriate non-parties.


9 **VI.**

10 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED  
11 that the Consent is incorporated herein with the same force and effect as if fully set  
12 forth herein, and that Defendant shall comply with all of the undertakings and  
13 agreements set forth therein.

14 **VII.**

15 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED  
16 that this Court shall retain jurisdiction of this matter for the purposes of enforcing  
17 the terms of this Judgment.

18 Dated: December 31, 2008

19   
20 THE HON. DAVID O. CARTER  
21 UNITED STATES DISTRICT JUDGE  
22  
23  
24  
25  
26  
27  
28

**PROOF OF SERVICE**

I am over the age of 18 years and not a party to this action. My business address is:

[X] U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire  
Boulevard, 11th Floor, Los Angeles, California 90036-3648

Telephone No. (323) 965-3998; Facsimile No. (323) 965-3908.

On December 23, 2008, I caused to be served the document entitled **JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST DEFENDANT JEANNE M. ROWZEE** on all the parties to this action addressed as stated on the attached service list:

[X] **OFFICE MAIL:** By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

[ ] **PERSONAL DEPOSIT IN MAIL:** By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

[ ] **EXPRESS U.S. MAIL:** Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

[ ] **HAND DELIVERY:** I caused to be hand delivered each such envelope to the office of the addressee as stated on the attached service list.

[ ] **FEDERAL EXPRESS:** By placing in sealed envelope(s) designated by Federal Express with delivery fees paid or provided for, which I deposited in a facility regularly maintained by Federal Express or delivered to a Federal Express courier, at Los Angeles, California.

[ ] **ELECTRONIC MAIL:** By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

[ ] **FAX:** By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

[X] **(Federal)** I declare that I am a member of the bar of this Court and that the foregoing is true and correct.

Date: December 23, 2008

/s/ John B. Bulgozdy  
John B. Bulgozdy

1                                    **SEC v. JEANNE M. ROWZEE, et al.**  
2                                    **United States District Court – Central District of California**  
3                                    **Case No. SACV 08-1025 DOC (ANx)**  
4                                    **(LA-3368)**

5                                    **SERVICE LIST**

6                                    Jeanne M. Rowzee  
7                                    92 Corporate Park, Suite C203  
8                                    Irvine, CA 92606  
9                                    ***Pro Se***

10                                  James R. Halstead  
11                                  1281 La Limonar Road  
12                                  Santa Ana, CA 92705-2307  
13                                  ***Pro Se***

14                                  James R. Halstead  
15                                  Santa Ana Jail M-88  
16                                  Booking # 0800008399  
17                                  P.O. Box 22003  
18                                  Santa Ana, CA 92702

19                                  W. Michael Hensley, Esq.  
20                                  Adorno Yoss Alverado & Smith  
21                                  1 MacArthur Place, Suite 200  
22                                  Santa Ana, CA 92707  
23                                  Email: mhensley@adorno.com  
24                                  ***Attorney for Defendant Robert T. Harvey***